

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

**MICHELE VIERA and LORI H. SCOTT  
on Behalf of Themselves and on Behalf of a  
Class Comprised of the Other Similarly  
Situated Former Employees of Defendant,  
Plaintiffs,**

**-vs-**

**Case No. 1:07-CV-719-SS**

**ACCREDITED HOME LENDERS, INC.,  
and ACCREDITED HOME LENDERS  
HOLDING CO.,  
Defendants.**

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**DEFENDANTS ACCREDITED HOME LENDERS, INC. AND ACCREDITED HOME  
LENDERS HOLDING CO.'S STATUS REPORT**

Pursuant to this Court's May 13, 2009 Order [Doc. No. 141] and this Court's Order dated September 20, 2010 [Doc. No. 153], Accredited files this report as to the status of the bankruptcy proceeding pending in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") jointly administered under case number 09-11516 (the "Bankruptcy Case").

The Bankruptcy Case remains pending under Chapter 11 of the United States Bankruptcy Code. The Debtors continue to operate their businesses and manage their property as debtors-in-possession. The United States Trustee appointed the Official Committee of Unsecured Creditors on June 16, 2009, and re-appointed one member and added two new members to the Committee on July 23, 2009. No trustee or examiner has been appointed.

On April 4, 2011, the Debtors filed their Fourth Amended Chapter 11 Plan of Liquidation (the "Liquidating Plan"), together with a Disclosure Statement discussing the terms of the Liquidating Plan. In general terms, the Liquidating Plan does not contemplate the continuation of the Debtors' businesses, but if confirmed as filed, provides for an orderly liquidation of the

Debtors' remaining assets and the establishment of a liquidating trust for payment of distributions to all creditors with allowed claims, including the Plaintiffs in this litigation. The Liquidating Plan contains an injunction provision that would continue the automatic stay of 11 U.S.C. § 362, therefore leaving this Litigation stayed unless the Bankruptcy Court modifies that injunction.

The Bankruptcy Court has approved the Disclosure Statement. The Debtors have solicited votes for the Liquidating Plan. The voting deadline has passed. All creditors returning ballots voted in favor of the Liquidating Plan. A hearing on confirmation of the Liquidating Plan is set for May 19, 2011.

Class Representatives for Plaintiffs filed various proofs of claim in the Bankruptcy Case and relating to the Lawsuit on behalf of the Class (Claim Nos. 866, 876, 877, 879 and 178 as amended by Claim Nos. 1022 and 1034) and on behalf of Class Counsel (Claim No. 814). In addition, certain individual Plaintiffs filed separate proofs of claim, including James Cole (Claim No. 212), Jeffrey Ngoy (Claim No. 245), Jill Wood (Claim No. 382), Annette Reigh (Claim No. 752), and Danesha Sapp (Claim No. 717).<sup>1</sup> After lengthy negotiations between Debtors and the Class Representatives, the parties have reached a settlement in principal of all claims involving Plaintiffs' claims in the Bankruptcy Case and in this litigation. The terms of the parties' settlement are subject to Bankruptcy Court approval, but if so approved, would result in the dismissal of all claims pending in this Litigation. The Bankruptcy Court has given preliminary approval for the settlement, and accordingly the Plaintiffs have been given notice of the final fairness hearing on this settlement, which is also set for May 19, 2011.

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<sup>1</sup> Accordingly, Plaintiffs have access to and are directly served with all pleadings and notices filed in the bankruptcy case such that they are independently notified of any changes to the Bankruptcy Case status as pleadings are filed.

Respectfully submitted,

**HUNTON & WILLIAMS LLP**

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**ATTORNEYS FOR DEFENDANTS  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the foregoing was sent by first class mail,  
this 16<sup>th</sup> day of May, 2011, to the following counsel of record:

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